

STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 07-E-0517

**In the Matter of the Liquidation of
Patriot Health Insurance Company, Inc.**

[PROPOSED]

**ORDER APPROVING DISTRIBUTION OF ASSETS AND SUBSEQUENT DISCHARGE
OF LIQUIDATOR AND TERMINATION OF LIQUIDATION PROCEEDING UPON
FILING OF CERTIFICATE OF COMPLETION**

On consideration of the motion of Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, as Liquidator (“Liquidator”) of Patriot Health Insurance Company, Inc. (“Patriot”), for approval of distribution of assets, disposal of records and termination of proceeding, and the supporting affidavit of Peter A. Bengelsdorf, it is hereby found and ORDERED as follows:

1. The process for distributing assets, disposing of records, and terminating the liquidation proceeding for Patriot as set forth in the motion is reasonable, prudent and in the best interest of the creditors of Patriot.
2. The Liquidator’s Motion for Approval of Distribution of Assets, Disposal of Records and Termination of Proceeding is GRANTED.
3. The Liquidator is hereby authorized pursuant to RSA 402-C:46 to prepare for and make a distribution of all assets of Patriot, after paying administrative expenses and setting aside a reserve of not more than \$17,000 for post-distribution administrative expenses, to holders of allowed Class II priority claims as set forth in the schedules to the Liquidator’s reports of claims and recommendations previously approved by the Court based on the allowed amount of their claims subject to netting of New Hampshire Life & Health Insurance Guaranty Association

(“NHLHIGA”) payments and the \$50 deductible as required by RSA 402-C:44. The distribution shall be subject to the receipt of a waiver of federal priority claims from the United States in a form acceptable to the Liquidator. Any distribution amounts not paid out within 120 days after the distribution checks are mailed shall be turned over to the State Treasurer pursuant to RSA 402-C:47, I. Any unused portion of the reserve shall be transferred to the State Treasury for the credit of the Insurance Department pursuant to RSA 402-C:48. Any subrogation collections still outstanding at the time the distribution is calculated shall be assigned to the NHLHIGA.

4. The Liquidator is authorized pursuant to RSA 402-C:50 to dispose of all remaining paper records of Patriot except for financial, tax, and corporate records necessary for the final Patriot tax returns, investment records necessary to administer Patriot’s assets until distribution, and the records of the allowed claims necessary for making the distribution. The Liquidator shall offer policy and claim records to NHLHIGA before destroying them or directing EBPA to destroy them. The Liquidator shall retain records in these three categories and imaged records until the distribution is made, at which point the Liquidator is authorized to dispose of or delete all then remaining Patriot records except for (1) the imaged records of the filings and orders in the liquidation proceeding itself, which shall be retained on the website of the New Hampshire Insurance Department (“NHID”), (2) a record of allowed claims, which shall be turned over to the NHID, and (3) tax records, which shall be turned over to the NHID, all three subject to the NHID’s usual document retention procedures. Records identified by the Liquidator as confidential or commercially sensitive shall be disposed of by shredding.

5. The Liquidator need not file any further reports pursuant to RSA 402-C:25 except for quarterly reports (a) describing progress toward obtaining the waiver from the United States

to permit the distribution to proceed, and (b) providing an unaudited statement of expenses and of assets reflecting changes since the March 31, 2011 quarterly financial statement.

6. Upon completion of the distribution of assets and the 120-day period provided in paragraph 3 and disposal of records as provided in paragraph 4, the Liquidator shall certify that the assets have been distributed and the records disposed of by filing a Certificate of Completion, Discharge, and Termination of Liquidation Proceeding with the Court in the form attached as Exhibit A.

7. Upon the filing of the Certificate of Completion, Discharge, and Termination of Liquidation Proceeding, the Liquidator shall be discharged and this proceeding shall be terminated pursuant to RSA 402-C:48 without any further order of the Court.

8. Upon the filing of the Certificate of Completion, Discharge, and Termination of Liquidation Proceeding, Patriot's corporate existence shall be dissolved by operation of law pursuant to RSA 402-C:23 without any further order of the Court.

So Ordered.

Dated: _____

Presiding Justice

STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 07-E-0517

**In the Matter of the Liquidation of
Patriot Health Insurance Company, Inc.**

**CERTIFICATE OF COMPLETION, DISCHARGE
AND TERMINATION OF LIQUIDATION PROCEEDING**

In accordance with the Order Approving Distribution of Assets and Subsequent Discharge of Liquidator and Termination of Liquidation Proceeding upon Filing of Certificate of Completion dated _____ (the "Order"), I, Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, as Liquidator ("Liquidator") of Patriot Health Insurance Company, Inc. ("Patriot"), hereby certify that:

1. The assets of Patriot have been distributed in accordance with paragraph 3 of the Order, with a total of \$ _____ being distributed to holders of allowed Class II claims approved by the Court; and
2. The records of Patriot have been disposed of in accordance with paragraph 4 of the Order.

In accordance with the Order, the filing of this certificate shall discharge the Liquidator and terminate this liquidation proceeding.

Dated: _____

Roger A. Sevigny, Insurance Commissioner
of the State of New Hampshire, as
Liquidator of Patriot Health Insurance
Company, Inc.